

Medicare Program Integrity Manual

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 9

Date: JULY 30, 2001

CHANGE REQUEST 1021

CHAPTERS	REVISED SECTIONS	NEW SECTIONS	DELETED SECTIONS
1	Table of Contents 2.3.5 2.3.6 2.3.7	2.3.8 2.3.9	
Exhibit	Table of Contents 6	6.1	

MANUALIZATION--EFFECTIVE DATE: Not Applicable
IMPLEMENTATION DATE: Not Applicable

Note that this transmittal does not contain any of the changes that will be needed as a result of §522 of the Benefits Improvements and Protection Act (BIPA) of 2000. These BIPA §522 changes will be communicated to contractors via a separate transmittal.

Chapter 1, §2.3.5 - LMRP Comment Process - incorporates provisions of Transmittal AB-00-116 (CR 1021) which require contractors to allow for submission of comments on a LMRP from the general public and provide open meetings. Requires contractors to provide a minimum of 45 days for comments, to post the Web location of the draft LMRPs on www.draftlmp.net, to post draft LMRPs on contractor's Web sites, have a draft LMRP status page and post a summary of their response to comments concerning a draft LMRP. Allows intermediaries to distribute draft LMRPs for comment via email.

Chapter 1, §2.3.6 - LMRP Notice Process - is revised to incorporate provisions of Transmittal AB-00-116 which requires contractors to maintain separate Web pages if they have multiple contracts, to notify providers of the Web address and provide hard copy LMRPs to providers who do not have Web access. Removes the requirement for contractors to mail hard copy LMRPs to HMOs. Extends the notice period for carriers and fiscal intermediaries to 45 days.

Chapter 1, §2.3.7 - LMRP Format - is revised to incorporate Transmittal AB-00-116 that instructs contractors to use the standard format for newly developed LMRPs, forward their final LMRPs, to write new LMRPs in Web based language. Removes the requirement for LMRPs to be maintained in a word processing format.

Chapter 1, §2.3.8 - Retired LMRP - is added to incorporate provisions of Transmittal AB-00-116 in which contractors must have a mechanism for archiving retired LMRPs.

Chapter 1, §2.3.9 - AMA CPT Copyright Agreement - is added to incorporate requirements from Transmittal AB-00-116.

Exhibit 6 - LMRP Format - was revised to reflect the new LMRP standard format in Transmittal AB-00-116.

Exhibit 6.1 - LMRP Submission/Requirements - adds a requirement to have contractors be consistent when submitting LMRPs and to ensure accurate information is loaded into the LMRP database.

These instructions should be implemented within your current operating budget.

If you have any questions contact Karen Daily at 410-786-0189 or at kdaily@cms.hhs.gov.

Medicare Program Integrity Manual

Chapter 1 - Overview of Medical Review (MR) and Benefit Integrity (BI) and Medicare Integrity Program-Provider Education and Training (MIP-PET) Programs

Table of Contents
(Rev. 9, 07-30-01)

[2.3.5 - LMRP Comment Process](#)

[2.3.6 - LMRP Notice Process](#)

[2.3.7 - LMRP Format](#)

[2.3.8 - Retired LMRP](#)

[2.3.9 - AMA Current Procedural Terminology \(CPT\) Copyright Agreement](#)

2.3.5 - LMRP Comment Process - (Rev. 9, 07-30-01)

Contractors must provide a minimum comment period of 45 days. For LMRPs that affect services submitted to carriers, the comment period begins at the time the policy is distributed to the CAC either at the regularly scheduled meeting or in writing to all members of the CAC. Contractors may distribute these draft LMRPs to the CAC members via hardcopy or via email.

For LMRPs that affect services submitted to intermediaries, the comment period begins when the policy is distributed to medical providers or organizations. Contractors may distribute these draft LMRPs to medical providers and organizations via:

- *Hardcopy mailing of the entire draft LMRP,*
- *Hardcopy mailing of the title and Web address of the draft LMRP, or*
- *E-mail containing the title and Web address of the draft LMRP.*

Contractors must incorporate all comments into the LMRP as appropriate.

A - Draft LMRP Distribution

When developing LMRP, *all* contractors must solicit comments and recommendations on the policy and get input from, at least:

- Appropriate groups of health professionals and provider organizations that may be affected by the LMRP;
- *Representatives of specialty societies;*
- Other intermediaries/carriers;
- PROs within the region; and
- Other CMDs within the region;
- *General public.*

An effort should be made to ensure that providers who have a history of billing for the service are informed of the proposed LMRP and have the opportunity to comment. Carriers should present data according to the procedures for submitting data to the CAC. (PIM Chapter 1, §2.7.6B.)

Draft LMRPs should also be sent to the RO, associate regional administrator, for distribution to the appropriate regional staff (e.g., coverage experts, reimbursement experts). The RO staff will review the LMRPs for any operational concerns.

In addition, carriers obtain input from:

- The CAC (*carrier only*);

- *DAP (DMERCs only);*
- *Providers of service.*

Contractors should encourage commentors to submit evidence-based data, professional consensus opinions or any other relevant information.

B - Draft LMRP Open Meetings

Contractors must provide open meetings for the purpose of discussing draft LMRPs. Carriers must hold these open meetings prior to presenting the policy to the CAC. To accommodate those who can not be physically present at the meetings, contractors must provide other means for attendance (i.e., telephone conference) and accept written or e-mail comments. Written and e-mail comments must be given full and equal consideration as if presented in the meeting. Members of the CAC may also attend these open meetings.

Interested parties (generally those that would be affected by the LMRP, including providers, physicians, vendors, manufacturers, beneficiaries, and caregivers) can make presentations of information related to draft policies. Contractors must remain sensitive to organizations or groups which may have an interest in an issue (e.g., laboratories, providers who provide services in nursing facilities, home care, or hospice and the associations which represent the facilities/agencies) and invite them to participate in meetings at which a related LMRP is to be specifically discussed.

C - Draft LMRP Web site Requirements

1. Draft LMRP on the Contractor Web site

Contractors must post draft LMRPs on the contractor's Web site. This Web site must clearly indicate the start and stop date of the comment period and list an e-mail and postal address to which comments can be submitted.

2. LMRP Status Page

Contractors must post to their Web site a draft LMRP status page that includes the draft LMRP title, date of release of draft LMRP for comment, e-mail and postal address for comments to be sent, end date for comment period, current status (see the following status indicators), actual date of release of final LMRP, and Web site link to final LMRP. The status indicators are as follows:

- D = draft under development; not yet released for comments*
- C = draft LMRP release for comment*
- E = formal comment period has ended; comments now being considered*
- F = final LMRP has been issued.*

3. WWW.DraftLMRP.Net

For each LMRP the contractor posts for comments, the contractor must also complete a draft LMRP form on www.draftLMRP.net. The form must be completed within 2 business days of the draft LMRP being posted to the contractor Web site.

4. Comment/Response Document

Contractors must post to their Web site a summary of comments received concerning the draft LMRP with the contractor's response. The comment/response document needs to be posted on the Web for 3 - 6 months.

2.3.6 - LMRP Notice Process - (Rev. 9, 07-30-01)

Contractors must make final LMRPs public via a special bulletin, update to a provider manual, or inclusion in a newsletter, and through their Web site. *Contractors who are an intermediary and a carrier within the same corporation must have separate Web pages for the LMRPs. Contractors must notify all providers via a bulletin article of the contractor LMRP Web address. Contractors must advise providers without access to the Web via the bulletin to request a hard copy of the LMRP.* Contractors must ensure that the effective date for LMRPs follow a minimum notice period of 45 days. Contractors must educate the provider community on new or revised LMRPs (e.g., training sessions, speaking at society meetings or writing articles in the society's newsletter). To enhance consistency in LMRP, contractors must share LMRPs with other CMDs. Carriers are required to publish DMERC summary policies, and other pertinent information supplied by DMERCs, as requested, as part of regular bulletin distributions. *Contractors must post all final LMRPs on their Web site.*

Apply the following guidelines in determining the proper LMRP notice and comment process for certain situations.

A - Substantive Changes

- Restricting Existing LMRP

When a revision to a policy restricts an existing LMRP, the entire notice and comment process must be used (except as noted above).

- Liberalizing a Policy

If a revised LMRP liberalizes an existing LMRP, (e.g., expands the list of diagnoses for which the item/service is considered reasonable and necessary), contractors may publish the change and implement the revised policy and forego the notice and comment period.

- *Contractors must update their Web sites as well as www.LMRP.net when they change are a policy.*

B - Non-substantive Changes

- Clarification

A policy that is clarified (i.e., merely adding information to make the policy more understandable and does not make the policy more restrictive or more liberal) is subject to the 45-day notice period. The clarification should be published in the next bulletin.

- Correction

If a policy needs to be corrected due to a simple typographical error, the policy correction should be published within 45 days. However, if there is an accidental deletion or insertion that impacts the policy's intent, the notice and/or comment period should be extended by 45 days. If the error is contained in the version for notice, contractors extend the notice period. If the error is contained in the comment period, they extend the comment period.

- *Contractors must update their Web sites as well as www.LMRP.net when they change a policy.*

C - Situations that Allow Bypassing the Notice and Comment Process

If a new/revised LMRP is developed and there are compelling reasons to forego the notice and comment process, with RO approval, (e.g., egregious abuse, a highly unsafe procedure/device, or if CMS has changed policy that would supersede the current policy), contractors simultaneously initiate the notice and comment period and implement the new/revised policy. This approval should be obtained prior to the time that the physician community is notified. Except when liberalizing an existing policy, RO approval must be obtained whenever the required notice and comment period is bypassed.

2.3.7 - LMRP Format - (Rev. 9, 07-30-01)

Any newly developed policies as of February 1, 2001, (i.e., all new LMRPs and all revised LMRPs), must use the standard format listed in Exhibit 6. Contractors must forward new, revised and final LMRPs to cohenj@kathpal.com no later than 2 days after the start of the notice period. See Exhibit 6.1 for submission requirements for LMRPs.

All new LMRPs must be written in Hyper Text Markup Language (HTML). The LMRPs on your Web site must be in HTML. This does not prohibit a contractor from writing policies in word or another application and then translating them into HTML. Contractors must specify in the HTML title the contractor name and topic of the LMRP. "Title" refers to the HTML tag called "title" in the source code of HTML. A sample HTML format is located at www.medicarecmd.net. Contractors are encouraged to use this HTML sample. Contractors may alter the appearance of the HTML file to meet their own Web site needs, e.g., change the background color.

Contractors are encouraged to put existing LMRPs into these formats.

2.3.8 - Retired LMRPs - (Rev. 9, 07-30-01)

Contractors must list the retired date on all retired LMRPs. Contractors must have a mechanism for archiving retired LMRPs. This mechanism may be hard copy, electronic or Web-based. This mechanism must also allow the contractor to respond to requests and retrieve the LMRP that was in effect on any given day. Contractors must post on their Web site information regarding how to obtain retired LMRP.

**2.3.9 - AMA Current Procedural Terminology (CPT) Copyright Agreement -
(Rev.9, 07-30-01)**

Any time a CPT code is used in publications on the Internet Web site and other electronic media such as tapes, disks or CD-ROM contractors must display the AMA copyright notice in the body of each LMRP. Contractors must use a point and click license on a computer screen or Web page any time CPT codes are used on the Internet. Contractors should refer to Program Memorandum AB-00-126 for further guidance.

.....
EXHIBITS
.....

Medicare Program Integrity Manual

Exhibits

Table of Contents
(Rev. 9, 07-30-01)

[6 - LMRP Format](#)

6.1 - LMRP Submission/Requirements

Exhibit 6 - LMRP Format - (Rev.9, 07-30-01)

Contractors must ensure that all its LMRPs are written in the following format. *Contractors may use column and headings instead of using the table format as shown below but the LMRP content must include all the same information.*

<i>Contractor's Policy Number</i>	<i>Enter a unique policy identifier that the policy author designates. The numbering system is entirely up to the contractor and is used to Catalog the policy for internal use.</i>
<i>Contractor Name</i>	<i>The contractor name is the proper name assigned by CMS and used in the Contractor Report of Workload Data (CROWD) system. This is a mandatory field.</i>
<i>Contractor Number</i>	<i>The contractor number is the proper name assigned by CMS and used in the CROWD system. Include only one contractor number. This is a mandatory field.</i>
<i>Contractor Type</i>	<i>Indicate if this policy is for a fiscal intermediary (FI), carrier, regional home health intermediary (RHHI) or durable medical equipment regional carrier (DMERC). Select only one contractor type. This is a mandatory field.</i>
<i>LMRP Title</i>	<i>Enter a brief, one line description of the topic or subject matter of the policy. The subject identifies the name of the medical policy. This characters such as parentheses, slashes, and ellipses in this field.</i>
<i>AMA CPT Copyright Statement</i>	<i>Include the following statement in each LMRP. "CPT codes, descriptions and other data only are copyright 1999 American Medical Association (or such other data of publication of CPT). All Rights Reserved. Applicable FARS/DFARS Clauses Apply."</i>
<i>CMS National Coverage Policy</i>	<i>Indicate any associated CMS National Coverage Determination or Coverage Provision in an Interpretive Manual.</i>
<i>Primary Geographic Jurisdiction</i>	<i>The geographical area to which the LMRP will apply. For carriers and DMERCs, this jurisdiction is usually established based upon the contractor number. For RHHIs and FIs, this jurisdiction is established based upon the contractor number but may not include all States within CMS established jurisdiction. For example, an FI with the primary geographic jurisdiction of Connecticut, Michigan and New York may only develop a LMRP for Connecticut and not Michigan or New York. Contractors must indicate the primary jurisdiction to which this policy applies. This is a mandatory field.</i>
<i>Secondary Geographic Jurisdiction</i>	<i>RHHIs and FIs may also have a secondary geographic jurisdiction for those facilities that nominate to have the FI or RHHI process their claims. The secondary geographic jurisdiction is the State in which the provider is located. Include all States for the providers to which this policy applies.</i>
<i>CMS Region</i>	<i>List the region that retains oversight of the Medicare contractor's LMRP development process. Include only one region. This is a mandatory field.</i>
<i>CMS Consortium</i>	<i>List the consortium for the region office listed above. Include only</i>

	<i>one consortium. This is a mandatory field.</i>
<i>Original Policy Effective Date</i>	<i>List the original date this policy became effective. For example, all policy rules, requirements and limitations became effective for services performed on and after this date. The format is MM/DD/YYYY. This is a mandatory field.</i>
<i>Original Policy Ending Date</i>	<i>The date for which the policy is no longer effective. For example, all policy rules, requirements and limitations within this policy are no longer effective for services performed after this date. This date may be the same as, but not before the final revision ending effective date. The format is MM/DD/YYYY. This is a mandatory field for terminated policies.</i>
<i>Revision Effective Date</i>	<i>The beginning date for which a revision becomes effective. For example, all policy rules, requirements and limitations within this revision are effective for services performed after this date. The format is MM/DD/YYYY. This is a mandatory field for revised policies.</i>
<i>Revision Ending Date</i>	<i>The date for which this revision is no longer effective. For example, all policy rules, requirements, and limitations within this revision are no longer effective for services performed after this date. The format is MM/DD/YYYY. This is a mandatory field if revised policy is itself subsequently revised or if a revised policy is terminated without a subsequent revision.</i>
<i>LMP Description</i>	<i>Characterize or define the item/service and explain how it operates or is performed. Use this field to enhance the policy subject. This is a mandatory field.</i>
<i>Indications and Limitations of Coverage and/or Medical Necessity</i>	<i>List the general indications for which an item/service is covered and/or considered medically necessary. Also, list limitations such as least costly alternative reductions. This is a mandatory field.</i>
<i>CPT/HCPCS Section and Benefit Category</i>	<i>Define the CPT/HCPCS section to which the policy applies. Also state the appropriate benefit category. For example: physician services, DME, diagnostic services, prosthetic devices, evaluation and management, medicine, pathology and laboratory, radiology, nuclear, ultrasound and surgery. This is a mandatory field.</i>
<i>Type of Bill Code</i>	<i>Enter the related type of bill codes for the item, service or procedure. type of bill codes apply to FIs only. This is a mandatory field for FIs and RHHIs.</i>
<i>Revenue Codes</i>	<i>Enter the related revenue code for the item, service or procedure. type of bill codes apply to FIs only. This is a mandatory field for FIs and RHHIs.</i>
<i>CPT/HCPCS Codes</i>	<i>Enter the related HCPCS codes and any appropriate modifiers for the item/service. You may list the codes as a range. A policy may be associated with one or many HCPCS codes or a combination of all these. This is a mandatory field.</i>
<i>Not Otherwise Classified (NOC)</i>	<i>Use this field in the absence of HCPCS codes. List the NOC code and the classified codes associated text.</i>
<i>ICD-9 Codes that Support Medical</i>	<i>List the ICD-9 codes or code ranges, using maximum specificity, for which the item/service is generally covered, and/or considered</i>

<i>Necessity</i>	<i>Medically necessary. A policy can be associated with one or many diagnosis codes, one or many ranges of diagnosis codes, or a combination of all of these. This is a mandatory field.</i>
<i>Diagnoses that Support Medical Necessity</i>	<i>In the absence of ICD-9 codes, include the medical diagnoses that support the medical necessity for the item, service or procedure.</i>
<i>ICD-9 Codes that DO NOT Support Medical Necessity</i>	<i>List the ICD-9 codes that do not support the medical necessity of the service. Use this field when developing policies using an "exclusionary" approach in writing LMRP for which there are only limited exceptions of ICD-9 codes that would not support the medical necessity of the service.</i>
<i>Diagnoses that DO NOT Support Medical Necessity</i>	<i>In the absence of ICD-9 codes that do not support medical necessity, include the medical diagnoses that will not support medical necessity. Use this field when developing policies using an "exclusionary" approach in writing LMRP for which there are only limited exceptions of diagnoses that would not support the medical necessity of the service.</i>
<i>Reasons for Denials</i>	<i>Indicate the specific situations under which an item/service will always be denied. Also, list the reasons for denial such as "investigational, cosmetic, routine screening, dental, program exclusion, otherwise not covered, or never reasonable and necessary." This is a mandatory field.</i>
<i>Noncovered ICD-9 Codes</i>	<i>If an item/service is always denied for a certain ICD-9 code, list the ICD-9 code(s) or code range(s) and narrative that are never covered. A policy can be associated with one or many noncovered diagnosis codes, one or many ranges of diagnosis codes or a combination of all of these.</i>
<i>Noncovered Diagnosis</i>	<i>List the medical diagnoses that are not covered.</i>
<i>Coding Guidelines</i>	<i>Describe the relationships between codes and define how items/services are billed. Include information about the units of service, place of service, HCPCS modifiers, etc. An example of an appropriate coding technique is "use CPT xxxxx to bill this item/service rather than yyyyy." Include payment issues and payment considerations in the indications and limitations of coverage section.</i>
<i>Documentation Requirements</i>	<i>Describe specific information from the medical records or other pertinent information that would be required to justify the item/service. For example, progress notes, pathology report, certificates of medical necessity (CMN), or photographs. Give instructions as to how Electronic Media Claim billers should submit documentation.</i>
<i>Utilization Guidelines Other Comments</i>	<i>Include information concerning the typical or expected utilization for the service. This is an optional field. Include information not included in other fields sections. There is NO maximum field length.</i>
<i>Sources of Information and Basis for Decision</i>	<i>List the information sources, pertinent references (other than national policy) and other clinical or scientific evidence reviewed in the development of this policy. Cite, for example: Agency for Health Care Policy and Research (AHCPR) guidelines, position</i>

	<i>papers released by specialty societies or other sources used During the development of this policy. Also include the basis for your coverage decision. This is a mandatory field.</i>
<i>Advisory Committee Notes</i>	<i>All contractors must include the following information regarding the development of the LMRP: the meeting date on which the policy was Discussed with the advisory committee. This is a mandatory field.</i>
<i>Start Date of Comment Period</i>	<i>Enter the date the LMRP was released for comment. Use MM/DD/YYYY as the format. This is a mandatory field.</i>
<i>End Date of Comment Period</i>	<i>Enter the date the comment period ended. Use MM/DD/YYYY as the format. This is a mandatory field.</i>
<i>Start Date of Notice Period</i>	<i>Enter the date the medical community was notified about the LMRP. Use MM/DD/YYYY as the format. When no day is provided, enter 01 as the day. This is a mandatory field.</i>
<i>Revision History</i>	<i>The revision history includes the revision number, the effective date of the revision and an explanation of the revisions made to the policy. Any revision to LMRP that increase restrictions on coverage requires the usual notice and comment period. Revisions to utilization guidelines that increase restrictions on coverage are also subject to the notice and comment period. The revision number is a unique identifier that allows users to recognize if a policy is changed from its original form. The numbering system is entirely up to the contractor and is used to catalog the policy for your internal use. The revision dates are listed with the most recent revision date listed first. Use MM/DD/YYYY as the format. This is a mandatory field for revisions.</i>

All LMRPs must include the following paragraph:

"This policy does not reflect the sole opinion of the contractor or contractor medical director. Although the final decision rests with the carrier, this policy was developed in cooperation with advisory groups, which includes representatives from [fill in appropriate specialty name]."

Exhibit 6.1 - LMRP Submission/Requirements (Rev. 9, 07-30-01)

To provide the most accurate information for the LMRP database and Web site and for consistency, contractors are required to do the following:

- If an FI/carrier has different contractor numbers for each state, they must submit separate LMRPs for each contractor number even if the LMRPs are identical.*
- Do not submit a file with multiple policies, each policy should be in a separate file with a separate name.*
- Do not send one LMRP in several files. For example, do not send an appendix of ICD-9 codes in a separate file.*
- In the body of the e-mail to cohenj@kathpal.com, the contractor name and number must be indicated.*

- *Remove the password feature from all LMRPs prior to submission.*
- *Always refer to LMRPs by their file name. Do not refer to them by their internal policy identification number or title.*
- *Ensure that corrections to a LMRP are accepted prior to saving the file. If not, the corrections are encrypted as hidden text and can appear on the document.*
- *Do not submit .dat, .pdf or .dot files.*
- *Check the accuracy/validity of HCPCS and ICD-9 codes prior to submission.*
- *Do not use an "x", underbar, asterisk or any other mark to indicate any fourth or fifth digit subclassification range of an ICD-9 code. List all the ICD-9 codes, including fourth and fifth digit subclassifications, which establish medical necessity.*
- *Do not include the shaded areas of gray from the ICD-9 book which have been added to LMRPs. Code the ICD-9 fourth and fifth digit subclassification as applicable.*
- *Do not send scanned LMRPs.*
- *Only submit a NEW LMRP when the policy addresses a service/item that is not currently addressed in another LMRP on www.lmrp.net. This policy would be new to the lmrp.net database.*
- *Only submit a REVISED LMRP if the LMRP addresses a subject that is currently addressed in another policy on www.lmrp.net. Include the file name of the LMRP on the Web site that should be replaced by the revised LMRP.*
- *Only request a DELETION of a LMRP if the policy is being retired or appears on the Web site in error.*

For further clarification of the submission of LMRPs, contact Jackie Cohen at cohenj@kathpal.com.